

REMARKS/ARGUMENTS

Please reconsider the application in view of the above amendments and the following remarks. Claims 1 to 7 remain pending in this application. Applicants have amended claim 1 herein to clarify the limitation of the claim. Applicant have withdrawn claims 8 to 20 without acknowledging the validity of any objections made thereto and retain the right to present claims 8 to 20 in a divisional application.

Drawings:

We thank the examiner for acceptance of the drawings filed on 13 December 2005.

SPECIFICATION

The Examiner objected to the specification because of the language and format of the Abstract. The applicant submits that the abstract amended above overcomes these objections in that it now contains short descriptive sentences and avoids the use of any phrases that could be otherwise implied.

CLAIM OBJECTIONS - UNDER 35 U.S.C § 102

Claims 1,2,4,7-9,14,15,17-20 stand rejected under 35 U.S.C. 102(b) as being anticipated by U.S. patent 6, 419, 033 to Hahn et al. This rejection is respectfully traversed. The objection in relation to claims 8-9,14,15 and 17-20 is not addressed due to the claims being withdrawn.

Applicant respectively submits that the cited reference does not teach all of the limitations of the clarified claims. The claims of the current application relate to, in part, a "a rotary steerable

system operatively coupled to the mud motor wherein no portion of the rotary steerable system exposed to the earthen formation is stationary with respect to the earthen formation while drilling". The disclosure of Hahn relates to a drilling system in which at least a portion is stationary with respect to the earthen formation. See line 44 column 3, figure 1 "*The steering section 145 includes a nonrotating sleeve 144...*" and all embodiments and all other content of the disclosure of Hahn et al.

Therefore the currently claimed invention includes a limitation not disclosed or suggested by the content of Hahn et al and thus is not anticipated thereby.

Moreover, one skilled in the art would not seek to modify Hahn et al as the entire disclosure is directed towards a drilling system where the Rotary Steerable system is, at least in part, stationary with respect to the earthen formation while drilling and the modifications needed would require a re-think of the concept behind the design.

Claims 3, 5, 6, 11-13, and 16 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Hahn et al, in view of Chen et al US 6,877,570.

This rejection is respectfully traversed. As claims 8 to 20 have been currently withdrawn the objections to claims 11-13, and 16 is not currently dealt with. However, the applicant does not acknowledge the validity of any objection to the currently withdrawn claims.

Applicant respectfully submits that the cited reference does not teach all of the limitations of the clarified claims. The claims of the current application relate to, in part, a "a rotary steerable system operatively coupled to the mud motor wherein no portion of the rotary steerable system exposed to the earthen formation is stationary with respect to the earthen formation while drilling". The disclosure of Hahn relates to a drilling system in which at least a portion is

stationary with respect to the earthen formation. See line 44 column 3, figure 1 "*The steering section 145 includes a nonrotating sleeve 144...*" and all embodiments and all other content of the disclosure of Hahn et al.

Applicant submits that the Examiner has failed to establish a *prima facie* case of obviousness under 35 U.S.C. § 103 for any of the claims at issue. As described above with respect to the 102 rejections above, none of the cited references alone or in combination teach all of the limitations of the claims. The Examiner attempts to achieve Applicant's invention by using improper hindsight, selective dissection and destruction of the teachings of the cited reference.

As discussed above with respect to the 102(b) rejection Hahn fails to disclose the limitation in the pending claims of, "*a rotary steerable system operatively coupled to the mud motor wherein no portion of the rotary steerable system exposed to the earthen formation is stationary with respect to the earthen formation while drilling*" In fact, Hahn teaches away from such a feature by providing that directional drilling is achieved by means of a steering portion (the nonrotating sleeve 144) that is stationary with respect to the earthen formation while drilling. Moreover, one skilled in the art would not seek to modify Hahn as the entire disclosure is directed towards such a partially stationary steering system, and the modifications would require a re-think of the concept behind the design. No mechanism described or suggested in Hahn et al provides for the change to rotate all portions of the rotatory steering system, Hahn uses the non-stationary sleeve 144 to push against the earthen formation and thus provide steering. One skilled in the art to which the invention relates would not modify Chen et al in the way described by the examiner.


For at least these reasons, Applicant submits that the Examiner has failed to present a prima facie case of obviousness under 35 U.S.C. § 103. Applicant, therefore, respectfully requests withdrawal of the rejection of these Claims.

Applicant respectfully requests that a timely Notice of Allowance be issued in this case. Applicant believes this reply to be fully responsive to all outstanding issues and place this application in condition for allowance. If this belief is incorrect, or other issues arise, do not hesitate to contact the undersigned at the telephone number listed below.

Date: _____

7/14/06

Respectfully submitted,



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Attachments: